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A SHARPER LOOK AT UNEMPLOYMENT IN U.S. CITIES AND SLUMS.
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UNEMPLOYMENT DATA FOR 1965 TO 1966 FOR THE 20 LARGEST UNITED STATES METROPOLITAN AREAS SHOWED WHO THE PEOPLE ARE WHO ARE OUT OF WORK, WHERE THEY ARE, AND WHY THEY ARE UNEMPLOYED. SOME OF THE FINDINGS WERE--(1) A THIRD OF THOSE UNEMPLOYED, ABOUT ONE MILLION PEOPLE, LIVED IN THESE METROPOLITAN AREAS, (2) THE UNEMPLOYMENT RATE IN 10 OF THE AREAS WAS SIGNIFICANTLY ABOVE THE NATIONAL AVERAGE OF ABOUT 3-3/4 PERCENT, (3) THE NONWHITE UNEMPLOYMENT RATE WAS ABOUT THREE TIMES THE WHITE UNEMPLOYMENT RATE IN 16 AREAS, (4) THE WORST UNEMPLOYMENT IN THE 12 LARGEST AREAS WAS AMONG 14- TO 19-YEAR-OLD NONWHITES, RANGING FROM 18.4 PERCENT IN WASHINGTON, D.C. TO 36 PERCENT IN PHILADELPHIA, WITH A RATE ABOVE 30 PERCENT IN SEVEN AREAS. A 10-AREA SURVEY IN EIGHT U.S. CITIES IN 1966 DISCLOSED--(1) 6.9 PERCENT OF THOSE LISTED AS EMPLOYED WERE WORKING ONLY PART TIME, (2) 21 PERCENT OF THOSE WORKING FULL TIME EARNED LESS THAN $60 A WEEK, (3) 47 PERCENT OF THE SURVEYED FAMILIES REPORTED INCOME DURING THE PAST YEARS FROM WELFARE OR OTHER NONEMPLOYMENT SOURCES, (4) BASED ON A SUBEMPLOYMENT INDEX, THE SUBEMPLOYMENT RATE FOR THE 10 SURVEY AREAS TAKEN AS A WHOLE WAS 33.9 PERCENT. IT WAS CONCLUDED THAT--(1) CONSIDERING UNEMPLOYMENT IN TERMS OF 4 PERCENT JUST LEAVES THE SLUMS OUT, (2) UNEMPLOYMENT AND SUBEMPLOYMENT IN THE SLUMS IS A MATTER OF PERSONAL RATHER THAN ECONOMIC CONDITION, AND (3) THOUGH THE PERCENTAGES ARE HIGH, THE NUMBER OF PEOPLE INVOLVED IS COMPARATIVELY SMALL, THE BARRIERS TO THEIR EMPLOYMENT ARE REMOVABLE, AND THE PROBLEM IS CLEARLY OF MANAGEABLE PROPORTIONS. (MM)

A SHARPER LOOK AT UNEMPLOYMENT IN U. S. CITIES AND SLUMS

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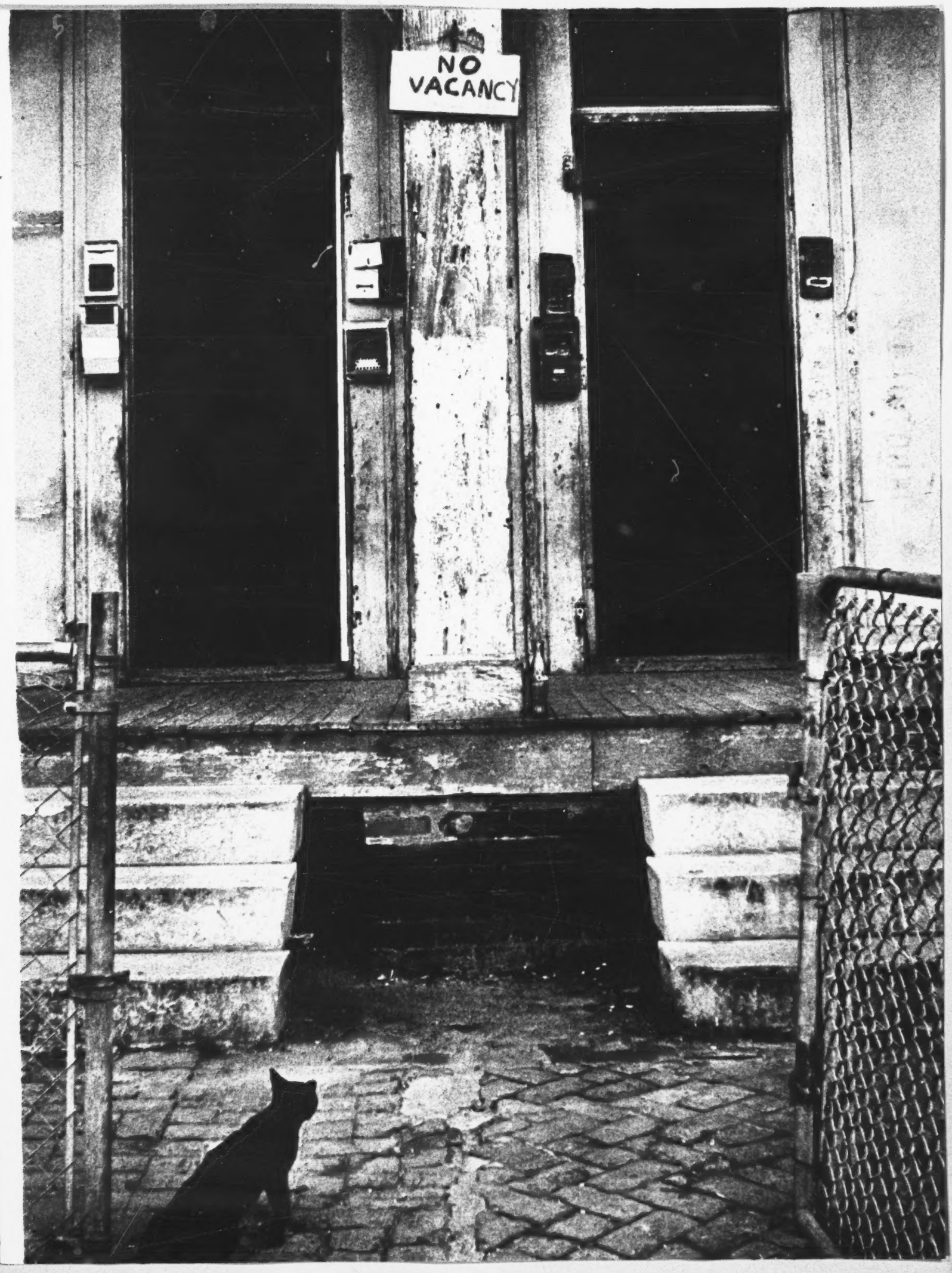

NO
VACANCY

On June 17, 1966, President Johnson directed that a more intensive survey be made of the unemployment situation:

- *to* determine who the people are *who* are still out of work:
- *where* they are;
- *why* they are unemployed after years of uninterrupted economic expansion.

1

All available employment and unemployment data were gathered together first for the 20 largest U.S. Metropolitan areas.

This was a first step--not taken before in any coordinated way -- to get behind the nation-wide figures previously relied on.

This 20-area study (based on 1965 to 1966 data; but the figures are only slightly different today) indicates that:

* A third of those presently unemployed (about 1 million people) live in these 20 metropolitan areas.

* The unemployment rate in these 20 areas. varies greatly--from 2.7% in Washington, D.C. to 5.2% in San Francisco and 6.0% in Los Angeles. In ten of these areas the rate is significantly above the national average (of about 3-3/4%); in five it is about the same; in five it is significantly lower.

* The nonwhite (principally Negro) unemploy- rate is about (or more than) three times the white unemployment rate in 8 of these areas, two times as high in 6 more, half again as high in 2 others. (This information is not available for 4 of the 20 areas). This study partially corrects for the first time a fault which had been discovered in the 1960 census count: The missing completely of a large number of Negros--1 in every 6 Negro men between the ages of 20 and 30. This means that past nonwhite unemployment figures have understated the situation substantially.

* The worst unemployment--identified in the 12 largest areas--is among 14-to-19 years old nonwhites, ranging from 18.4% in Washington, D.C. to 36.0% in Philadelphia with the rate running above 30% in seven areas. The rate for nonwhite girls is somewhat higher than for boys (over 40% in Philadelphia and St. Louis).

This study shows that even among this worst group--the nonwhite teenagers--*the total number (as distinguished from the percentages) are not forbiddingly large.* The total for the 12 areas is about 82,000, and this includes those in school and looking only for part-time work. This first study confirmed the problem, (the worst one we have) *but also confirmed that it is one that can be licked by boring in on it.*

Helpful and illuminating as this new 20-area information is, it has the deficiency of lumping slums and suburbs together, thereby hiding the magnitude of the problem in those areas in which it is concentrated--the slums.

2

An analysis was then made of the data collected in the March 1966 Current Population Survey in the *worst 25% of the areas* (census tracts) in all U.S. cities with more than 250,000 population.

This analysis shows that (except as the situation has changed since these data were collected--which is comparatively little in these "worst" areas):

* The over-all unemployment rate in these areas is about 7.5%.

* Forty-two percent of those living in these areas are nonwhite (compared with 10.7% nonwhite population) and over a third of all nonwhite workers in the U.S. live in these areas.

* The nonwhite unemployment rate in these areas is 9.4%. The data show (but on a *very* small sample) an *unemployment rate in these areas among nonwhite 14-to-19 year olds of 31% for boys, 46% for girls.*

This analysis also has its limitations. It was based on a nationwide report and did not show the the situation in particular cities. It was based on a sampling survey and the sample used was small. In addition, the areas covered by this survey included a good deal more than the actual slum areas (and had been selected on the basis of 1960 information). This information, furthermore, is a year old. (It is now being brought down to date.)

3

In November 1966, a series of intensive surveys were made in slum areas in eight U.S. cities (three areas in New York City, and one each in Boston, New Orleans, Philadelphia, Phoenix, St. Louis, San Antonio, and San Francisco). The information obtained was supplemented by previous but recent studies covering unemployment in the slum areas of Cleveland, Detroit, Los Angeles and Oakland.

These November 1966 surveys provide the first broad-gauge (even though limited) Report on SUB-EMPLOYMENT IN U.S. URBAN SLUM AREAS:

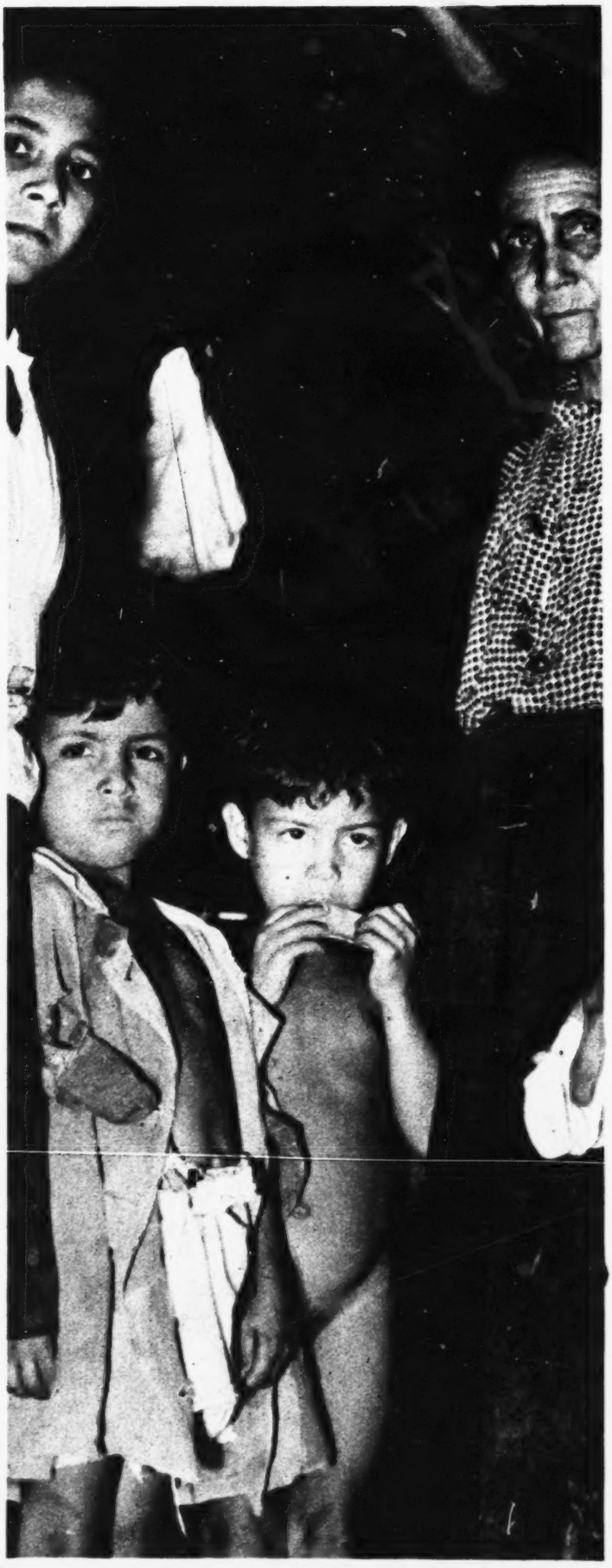
1. In General

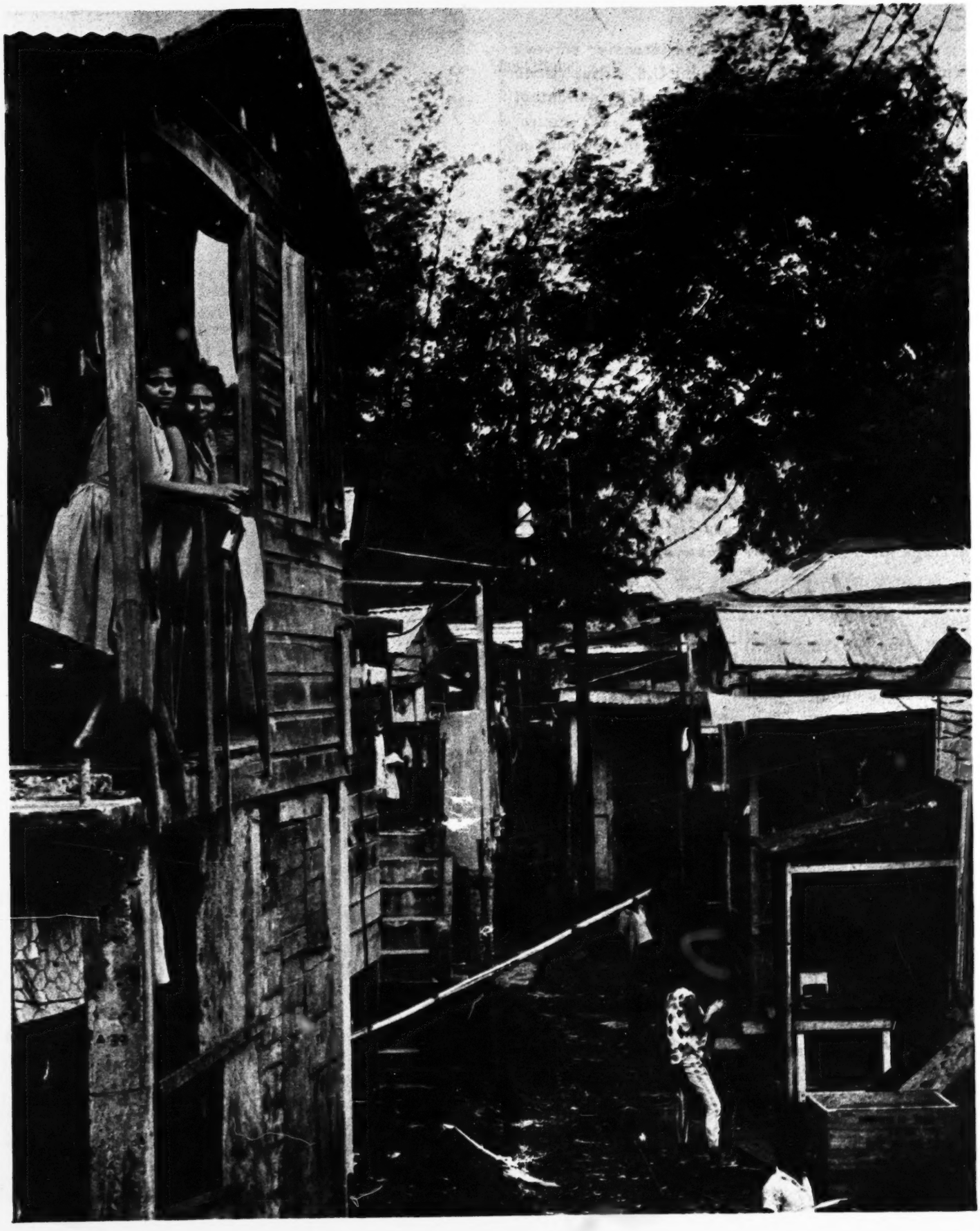
If the traditional statistical concept of "unemployment" (which produced the nationwide average of a 3.7% unemployment rate for January 1967) is applied to the urban slum situation, the *"unemployment rate" in these areas is about ten percent. This is approximately three times the average for the rest of the country.*

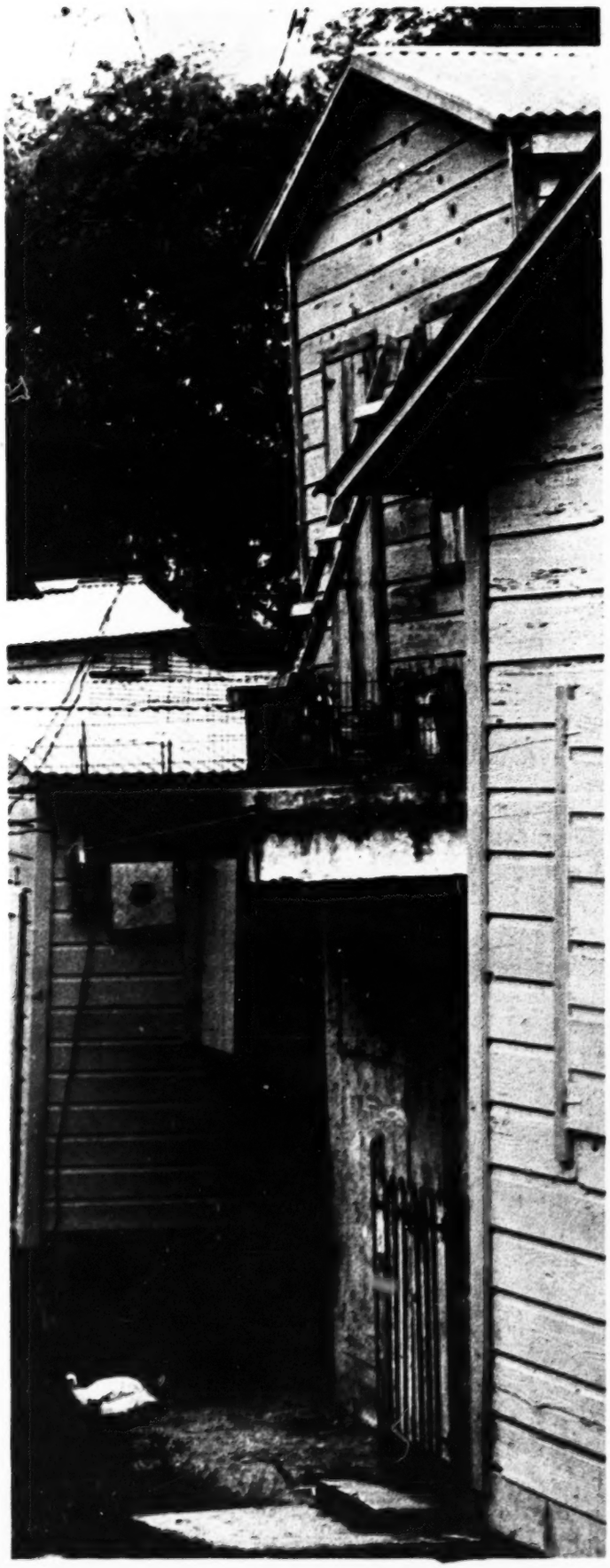
The indicated situation on an area-by-area basis[1] is:

Boston (Roxbury area)	6.9%
Cleveland (Hough and surrounding neighborhood)	15.6%
Detroit (Central Woodward area)	10.1%
Los Angeles (South L.A.)	12.0%
New Orleans (Several Contiguous areas)	10.0%
New York - Harlem	8.1%
E. Harlem	9.0%
Bedford-Stuyvesant	6.2%
Oakland (Bayside)	13.0%
Philadelphia (N. Phila.)	11.0%
Phoenix (Salt River Bed area)	13.2%
St. Louis (North Side)	12.9%
San Antonio (East & West Sides)	8.1%
San Francisco (Mission-Fillmore)	11.1%
San Juan (El Fanguito)	15.8%

[1] The figures presented here are based on a sample of households in each area surveyed. They may differ from the figures that would have been obtained if it had been possible to take a complete census using the same questionnaires and procedures. A statement on the standard errors associated with the sample design and size used in each area is being prepared.







This traditional unemployment measure counts as employed the person who is working only part-time, although he is trying to find full-time work; gives no consideration to the amount of earnings; omits those who are not "actively looking for work"--even though the reason for this is their conviction (whether right or wrong) that they can't find a job, at least one they want; and omits the "under-count" factor--those who are known to be present in the community but who do not show up at all under the present survey methods.

The November ten-area survey disclosed that:

* 6.9% of those listed as employed are working only part-time, although they are trying to find full-time work. (The comparable figure for the nation as a whole is 2.3%).

* 21% of those working full time are earning less than $60 a week (the equivalent of the $3000 poverty figure on an annual basis). The comparable figure for the U.S. as a whole is 15.4%.

  -- Thirty-seven percent of the slum area families report annual incomes under $3000 (the national figure is 25%; and the average (median) family income figure about $3,800 (which compares with a national figure of $6,300).

  -- Almost half -- 47% -- of the survey families report income during the past year from--unemployment insurance (5.1%), welfare or ADC (18.1%), or other non-employment sources (24.6%).

* A large number of persons in the survey areas who should be working, are not working and are not looking for work. (They are therefore not counted either as in the work force or as being "unemployed"). This "nonparticipation" rate in these areas is 11% among men in the 20-64 year age group (the only group for which it can be meaningfully determined). This compares with a 7% rate for this group in the country as a whole.

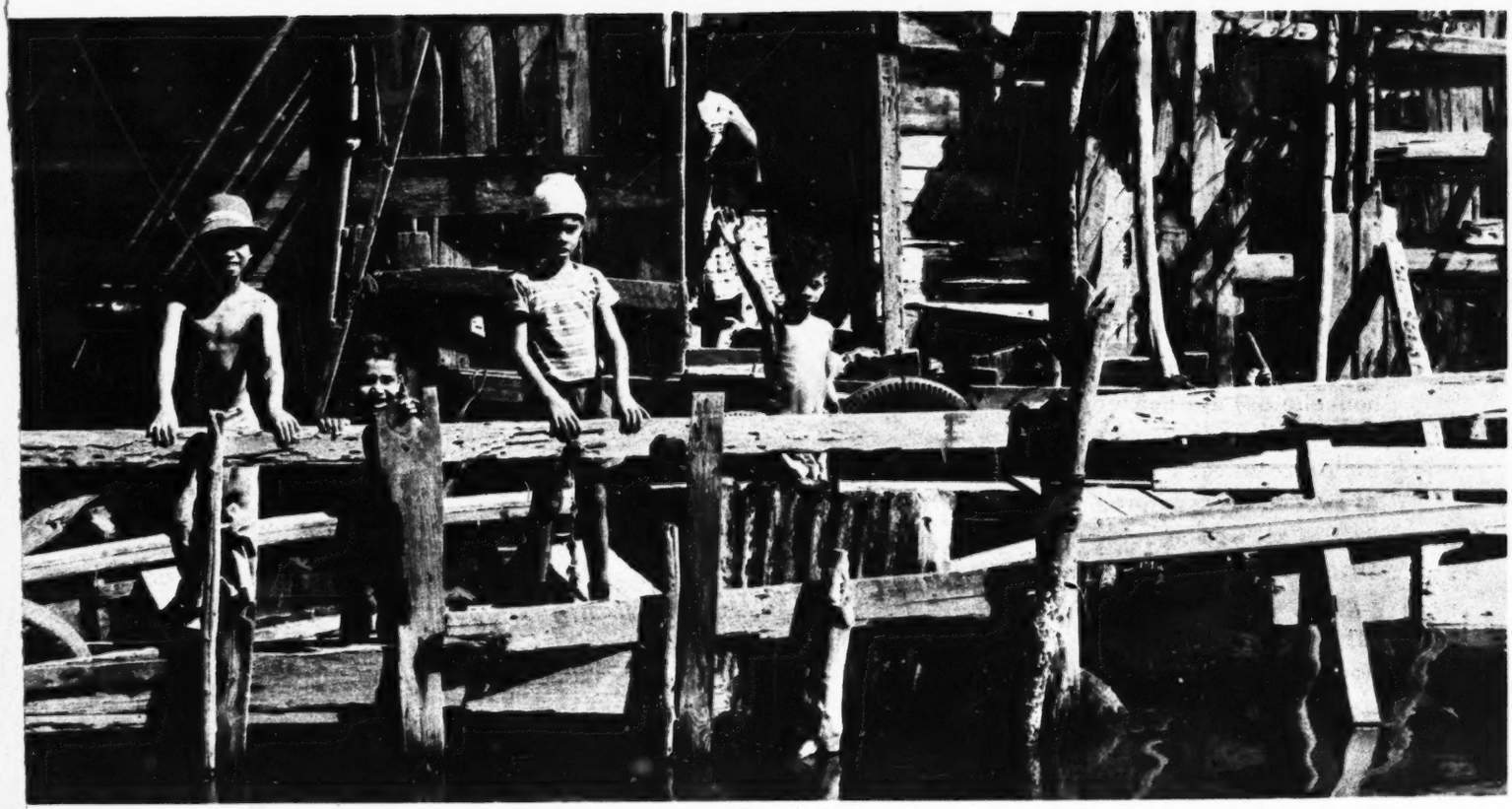
* Between a fifth and a third of the adult males expected (from other statistical sources) to be part of this slum area population were "unfound" in the November survey. This parallels the Census "undercount" experience. The exact circumstances (and facts) regarding this situation are not yet fully identifiable.

It has been possible from these surveys to construct a *"sub-employment"* index which covers the entire employment-hardship areas. This "sub-employment" term includes (i) those unemployed in the sense that they are "actively looking for work and unable to find it;" (ii) those working only part-when they are trying to get-full-time work; (iii) those heads of households under 65 years who earn less than $60 per week working full-time and those individuals under 65 who are not heads of households and earn less than $56 per week in a full-time job; (iv) half the number of "non-participants" in the male 20-64 age group; and (v) a conservative, and carefully considered estimate[2] of the male "undercount" group.

This analysis shows these "sub-employment" rates for the ten survey slum areas:

Area	Sub-Employment Rate
Boston	24.2%
New Orleans	45.3%
New York - Harlem	28.6%
E. Harlem	33.1%
Bedford Stuyvesant	27.6%
Philadelphia	34.2%
Phoenix	41.7%
St. Louis	38.9%
San Antonio	47.4%
San Francisco	24.6%

[2] Based on the assumption--indicated from the evidence--that the number of males in the area should approximate the number of females as indicated by the general male-female relationship in the population; and on the further assumption--probably underestimating it--that half of the unfound males are sub-employed.



The sub-employment rate for the ten survey areas taken as a whole is 33.9%.[3]

This means that one out of every three residents in the slum has a serious employment problem.

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[3] This composite figure is, of course, affected by the yardstick used for each of the five elements set forth above. For example, if low-wage part-time earners who were not looking for full-time work had been included in the low-income group, the resulting sub-employment rates would have been somewhat higher; if all teenagers had been excluded from the low-income group, the over-all sub-employment rate would have been somewhat lower; if non-heads of households had been excluded, from the low-income group entirely, the over-all sub-employment rate would have been still lower than that. Although slightly different criteria might have been used for any of the five elements, those chosen are regarded as reasonable, and probably conservative.

2. Who Are These Sub-Employed?

With so large a percentage of the entire working-age population in these areas presenting employment problems of one kind or another, several general characteristics of this population group are directly relevant to the problem. In the ten slum areas, as a whole, the survey shows that:

* 70% of the population is Negro (compared with a national figure of 11%); 10% Puerto Rican; 8% Mexican-American; 12% "other."

* Over 64% of those 20 years of age and over have not completed high school. (The National figure is 45%.)

* 37% of all family units (including 1-person-households) are headed by women. (The national figure is 21%.) There is a strikingly high rate in these areas for women widowed, divorced, or separated from their husbands: 23% of all women between the ages of 20 and 59. (The national figure is 14%.) But this figure is undoubtedly related to and sharply affected by the male "undercount" factor noted above.

* 16% of the approximately 400,000 families in these ten areas include 6 or more members. (The comparable national figure is about 11%.)

The total number of "unemployed" persons in these 10 areas (using the traditional definition of unemployment, that is, "actively looking for work and unable to find it") is, as measured by these surveys, 38,933. Of this number:

* 28,474 are non-white, virtually all of them Negroes; 10,459 are white (over half of these being Mexican-Americans or Puerto Ricans). There is no significant difference between the unemployment rate for "whites" (8.7%) and "non-whites" (9.2%).

* 18,844 are male, and the unemployment rate for them is 7.7%; 20,089 are female, and their unemployment rate is 11%.

* 26,467 are 20 years of age or older; 10,120 are in the 16-to-19 age group. This means a significant concentration in the younger age group. The unemployment rate for those 20 and over is 6.8%. For the 16-to-19 group it is over four times as high--38.1%.

* 25,937 (two out of every three) have had less than a high school education. The unemployment rate for those with less than a high school education is 10.6%; for those who finished high school, it is 7%.

These "unemployment" statistics provide a cross-sectional view of the employment situation, and yield rates of unemployment, ect. *for one point in time.* No direct measure was taken in these areas of the number of people who experience unemployment *over a period of time*--say, one year. However, from other data which establish relationships between unemployment at one point in time and unemployment during the course at some time or other of a year, it is reasonable to assume that for every person found to be unemployed in November in these slum areas, two others were unemployed *at some time during* 1966. (There is a high probability that these "other" unemployed persons are included in the "sub-employed" count).

3. The Reasons For Sub-Employment

A good many of the reasons for the slum sub-employment situation are suggested clearly by the profile in Point 2. But the November survey, and supplementary information obtained from various sources, illuminates these answers.

The explanations offered by the unemployed themselves, or their families, are significant. In terms of the "principal reasons" they themselves identify:

* 43.9% indicate that they lack necessary education, training, skills, or experience.

* 17.4% indicate that they are either too young or too old.

* 17% say that no jobs are available.

* 6.2% identify health problems as mainly responsible.

* 3.5% report "police records" or "bad debts".

* 1.1% refer to transportation problems.

* 10.9% list a variety of other factors, or indicate no understanding of the reasons.

The explanations advanced by the unemployed are significantly paralleled, although with important variations, by the results of an Employment Service analysis of the cases of 8,966 unemployed job applicants in 7 of the slum areas surveyed in November which indicates that over half (55.8%) *involve major personal barriers to employment.* The records indicate that:

* 29.8% lack the necessary education, skills or experience.

* 9.7% have disqualifying records of arrests, garnishments, or troubles in previous jobs.

* 6.8% are considered by employers to be too old or too young.

* 4.7% have health problems needing correction.

* 2.2% have to care for families.

* 1.5% have skills which are obsolete.

* 1.1% lack access to jobs because of transportation

Another study just completed in Milwaukee by professional case workers and guidance counselors makes a more detailed assessment of the impediments to employment faced by people in the slums who are not working.

* The most frequent problem is found--among six out of ten--to be lack of skill.

* One in five of the men is found to be poorly motivated.

* One in ten is held back by an arrest or conviction record.

* Thirteen percent have a chronic illness.

* Fifteen percent are alcoholics or heavy drinkers.

It is clear that personal circumstances of the individuals involved are the most immediate elements in a majority of these employment problem situations.

Inadequate and inferior education and training are obviously the deep, underlying elements in this situation.

* A third of the unemployed adults in these slum areas have never been to high school; two thirds have less than a high school education.

* Most studies of those slum children *in school* show that they test out considerably below their counterparts elsewhere, casting doubt on the quality of education in the slums.

* Four high schools serving the slum survey area in one city have dropout rates ranging from 36% to 45%.

* Most of those who *are* employed are in jobs that give them little or no training for anything else.

* A recent Bureau of Social Science Research study of applicants for a Civil Service Manual Labor Program discloses that 46% of the 189 men interviewed had none of the commonly accepted employment aids (car, tools, driver's license, chauffeurs's license, journeyman's card).

Health problems or deficiencies are involved in from ten to twenty percent of the sub-employment cases.

* Disease rates in the slums are 25% to 50% higher than national averages.

* Selective service rejection rates are generally, much higher in the slum districts than elsewhere. In Boston, where 39% of all enlistees are rejected, the rate in the slum is 52%.

* Of 385 unemployment cases studied by the Chicago Committee on Urban Opportunity, 208 or 54%, involved health problems.

* Forty percent of the trainees in the Oakland Skill Center were found to be handicapped by the need for eye glasses.

Crime is clearly poverty's partner and a significant sub-employment factor; but no measurement of the extent of this is yet available.

* There are indications on every hand that some of those who aren't working (in the ordinary sense), and who reject training opportunities, are engaged in illicit activities. The same is true with some of those in the "undercount" group.

* Arrest and conviction records are bars to subsequent employment.

* Boys refuse jobs in a rival gang's territory for fear of personal harm.

Wage garnishment records are barriers to employment in a significant (but also unmeasured) number of cases.

Welfare fund availability is obviously related to sub-employment. It is impossible from the available evidence to separate out the cause and result elements in the relationship.

* In the survey area of East Harlem, 45,000 persons, or 30% of the population, live on welfare payments. The Los Angeles slum survey shows 94,000 welfare recipients, again nearly 30% of the slum area population.

* Most welfare payments are to mothers with dependent children. These mothers cannot work unless child care facilities, currently in short supply, are provided.

Lack of motivation is another mixed-cause-and-result factor, although most of the available evidence reflects a very broad willingness to try--if there is any reasonable indication of success.

* In November surveys, 67.8% of the "unemployed" indicated that they would be willing to "go back to school for training," and 79.8% said they would be willing to take on-the-job training situations. Of those willing to take both types of training, 19.5% preferred "school," 46.2% preferred "on-the-job" training, and 34.3% expressed no preference.

* Only one in five of the unemployed persons interviewed would be willing to "live away from home temporarily to take training or get a job" or to "move to another metropolitan area if it meant getting a job."

* The Oakland "Job Fair" attracted 15,000 people (and resulted in the placement of only 250!).

* There was a waiting list of 6,000 for a Philadelphia training program.

* The 10-areas survey showed that nearly 80% of the adult men who lost a job at some time or other during the last 5 years lost it (according to their own report) for economic reasons (slow business conditions, seasonal or temporary job, etc.) The comparable figure for the U.S. as a whole is 11%.

Important as these "personal" factors are, however, it is nevertheless clear that the slum unemployment situation is strongly affected by "job market" circumstances.

* There is unquestionably a shortage of unskilled jobs in, or even near, the slum areas.

* The jobs that are available are characteristically low-paying--below the "poverty" level.

New plant locations along with the new jobs are increasingly built around the perimeter of cities far away from the slums. The

present transportation systems are both inadequate and too expensive to bring the slum residents to these jobs.

* There shows up in these surveys more signs of continuing *racial discrimination* than it was expected would be found. Interestingly, however, there are even more reports of "discrimination" on the basis of age. An unskilled worker more than 45 years old finds it exceedingly hard to get any except short-term, intermittent work.

* Effective methods of communicating job information to residents of the slum are lacking. Newspapers, radios, and downtown placement offices fail to reach into the slum effectively, and the principal form of communication is word of mouth. Too often, available jobs and slum residents fail to meet.

The general fact that many of the unemployed in these areas do not match the vacancies which do exist is illustrated by a comparison with job vacancy data for the city of Philadelphia:

	Slum Unemployed	City-Wide Vacancies
White Collar	15%	38%
Craftsmen	3	23
Operatives	11	21
Laborers	26	5
Service	23	13
Never Worked	22	---
	100	100

In numbers, there were only 877 vacancies in the entire Philadelphia labor area for laborers, where there are 799 unemployed laborers in the slum area alone. There were 1,660 white collar and 1,300 sales vacancies, and only 442 slum unemployed with white collar backgrounds.

In Summary

Three facts stand out from all these statistics.

One is that unemployment--or sub-employment--in the city slums is so much worse than it is in the country as a whole that the national measurements of unemployment are irrelevant. Any thinking about unemployment in terms of 3.7 or 4 percent just leaves the slums out. The situation there is that more than a third are unable to eam a living, and between ten and twenty percent of those who ought to be working aren't working at all.

The second salient fact is that unemployment and sub-employment in the slums are--much more than in other areas--a matter of *personal* rather than *economic* condition. No conceivable increase in the gross national product would stir these backwaters. The problem is less one of inadequate opportunity than of inability, under existing conditions, to use opportunity. Unemployment in these areas is *primarily* a story of inferior education, no skills, police and gamishment records, discrimination, fatherless children, dope addicition, hopelessness.

But third: Though the *percentages* involved here are deplorably high, the *number of people* involved is comparatively small. The barriers to their useful employment are serious, but they are removable barriers. *The problem is clearly of manageable proportions.*